



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Business Points for Solid Waste Franchise Renewal

MEETING DATE: April 2, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Approve business points described below for the solid waste franchise renewal.

BACKGROUND INFORMATION: In December 2007, the City Council directed staff to attempt to negotiate a renewal of the solid waste franchise with Central Valley Waste Services (CVWS). The intent was to do so before the required decision point (renew or bid) in the franchise agreement as this would give the City the most leverage in negotiating a favorable extension and still leave time to have a request for proposals prepared if the decision was not to renew.

Staff has met with CVWS representatives on several occasions with the following goals:

- Work with the existing franchise agreement framework
- No major changes in the basic services (i.e., the three-cart system) and the rate structure
- Keep the rates where they are now; i.e., no increase
- Improve services to both individual customers for special trash removal, such as improvements to the voucher system, and the citizenry as a whole in terms of keeping the City clean

With these goals in mind, the parties have prepared the following renewal business points. Staff is seeking Council direction on these points prior to drafting the actual renewal language.

- 1) Street sweeping – CVWS will be responsible for street sweeping at the same frequencies (or better) being done now by the City. This includes downtown sweeping, similar to what the City had done before reductions in service due to budget constraints. This also includes winter leaf pickup, which would be done with additional sweepers; hence one change from past practices is that customers would be asked to not pile leaves.
- 2) Public on-street trash container service – CVWS will service these containers (mainly in the Downtown) at no additional charge.
- 3) City service – CVWS will service the trash containers/bins at City facilities, including parks, at no additional charge.
- 4) Billing service – CVWS will continue to reimburse the City for a share of billing expenses and the amount will be indexed the same as the annual CPI rate adjustments. For the past several years, the amount has been fixed.
- 5) Hazardous waste – CVWS will host quarterly electronic/universal waste and annual household hazardous waste collection events at their Turner Road facility or other Lodi location.

APPROVED: _____
Blair King, City Manager

- 6) Annual rate adjustments – will be the same as the annual change in the Consumer Price Index. This is a very slight increase in future adjustments, as they are now at 80% of the CPI. The difference typically has been fractions of a percent.
- 7) Renewal term – is another seven years with one CVWS option to renew for an additional seven years. Staff recommends that the new term start in 2008.
- 8) Technical ordinance revisions – CVWS has asked for clarification of some definitions of service classes.
- 9) Compactor rates – CVWS has asked for a new rate for servicing certain types of large trash compactors that are labor intensive.

The provisions for public services (1, 2 and 3 above) would include provisions for growth.

The business points will need to be drafted into detailed terms in an amendment to the franchise agreement, including performance criteria and measures as appropriate. Pending Council direction, staff will attempt to have this done and brought back to the City Council for approval before FY 08/09.

FISCAL IMPACT:

The proposed terms will have a positive fiscal impact on the City and its taxpayers in both direct cost savings and indirect improvements in service. The direct cost of trash service that would now be included in the franchise is approximately \$70,000 per year. Indirect savings that would improve service will result from staff time now being utilized for street sweeping and downtown and park trash collection. Also, there will be cost savings resulting from not having to maintain various pieces of equipment, mainly street sweepers.

FUNDING AVAILABLE: Not applicable.

Richard C. Prima, Jr.
Public Works Director

RCP/pmf